



BH GLOBAL MARINE LIMITED
明輝環球海事有限公司

BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

FINANCIAL STATEMENTS FOR THE 4th QUARTER AND FULL YEAR ENDED 31 DECEMBER 2008

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) – An income statement (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year.

1(a)(i) Income Statement

	Group			Group		
	\$'000	\$'000	%	\$'000	\$'000	%
	4th quarter ended 31.12.08	4th quarter ended 31.12.07	Change	Financial Year ended 31.12.08	Financial Year ended 31.12.07	Change
Sales of goods	20,051	18,236	10%	94,557	81,870	15%
Cost of sales	(12,404)	(10,354)	20%	(57,974)	(48,542)	19%
Gross profit	7,647	7,882	(3%)	36,583	33,328	10%
Other operating (expense) / income	(3)	245	(101%)	461	320	44%
*Selling & Distribution expenses	(2,528)	(2,385)	6%	(9,576)	(9,003)	6%
*Administrative expenses	(897)	(655)	37%	(3,804)	(3,127)	22%
Finance costs	(40)	(71)	(44%)	(155)	(181)	(14%)
Profit before tax	4,179	5,016	(17%)	23,509	21,337	10%
Tax expense	(716)	(796)	(10%)	(4,271)	(3,821)	12%
Net profit for the period/year attributable to equity holders of the Company	3,463	4,220	(18%)	19,238	17,516	10%

* The above 2007 figures have been reclassified for comparative purposes.

1(a)(ii) Notes to income statement

	Group					
	(\$'000)			(\$'000)		
	4th quarter ended	4th quarter ended	%	Financial Year ended	Financial Year ended	%
	31.12.08	31.12.07	Change	31.12.08	31.12.07	Change
Other income including interest income	(2)	(9)	(78%)	(43)	(49)	(12%)
Interest on borrowings	40	71	(44%)	155	181	(14%)
Depreciation of property, plant and equipment	176	116	52%	588	498	18%
Loss on disposal of property, plant and equipment	-	11	N.M	-	16	N.M
Foreign exchange loss / (gain)	5	(251)	(102%)	(418)	(286)	46%
Bad debts written off	-	1	N.M	1	1	N.M
Stocks written down	43	568	(92%)	171	568	(70%)
Provision / (write-back of provision) for doubtful debts	24	164	(85%)	(52)	164	(132%)
Goodwill arising from consolidation written off	-	111	N.M	-	359	N.M

N.M. – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.

	Group (\$'000)		Company (\$'000)	
	31.12.08	31.12.07	31.12.08	31.12.07
Non-current assets				
Property, plant and equipment	15,597	6,926	-	-
Investment in subsidiaries	-	-	10,717	10,717
	15,597	6,926	10,717	10,717
Current assets				
Inventories	40,270	35,240	-	-
Trade receivables	23,787	22,129	-	-
Other receivables	340	414	25,002	22,046
Cash and cash equivalents	11,352	10,644	199	179
Total current assets	75,749	68,427	25,201	22,225
Total assets	91,346	75,353	35,918	32,942
Non-current liabilities				
Bank borrowings	1,333	-	-	-
	1,333	-	-	-
Current liabilities				
Trade payables	11,591	9,478	-	-
Bank borrowings	1,900	5,348	-	-
Other payables	6,696	5,243	3,261	2,923
Tax payable	4,317	3,973	5	5
	24,504	24,042	3,266	2,928
Total liabilities	25,837	24,042	3,266	2,928
Net assets	65,509	51,311	32,652	30,014

Shareholders' equity				
Share capital	23,069	23,069	23,069	23,069
Accumulated profits	42,440	28,242	9,583	6,945
Total shareholders' equity	65,509	51,311	32,652	30,014

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediate preceding financial year:

Amount repayable in one year or less, or on demand

As at 31.12.08 (\$'000)		As at 31.12.07 (\$'000)	
Secured	Unsecured	Secured	Unsecured
400	1,500	5,348	-

Amount repayable after one year

As at 31.12.08 (\$'000)		As at 31.12.07 (\$'000)	
Secured	Unsecured	Secured	Unsecured
1,333	-	-	-

Details of any collateral

The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$8.72million (31.12.2007: \$6.24million)
- (b) Corporate guarantee by the Company

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group			
	\$'000	\$'000	\$'000	\$'000
	4th quarter ended 31.12.08	4th quarter ended 31.12.07	Financial Year ended 31.12.08	Financial Year ended 31.12.07
Cash flows from operating activities				
Profit before tax	4,179	5,016	23,509	21,337
Adjustments for :				
Depreciation	176	116	588	498
Goodwill arising on consolidation written off	-	111	-	359
Interest income	(1)	(5)	(8)	(49)
Interest expense	40	71	155	181
Loss on disposal of property, plant and equipment	-	11	-	16
Operating cash before movements in working capital	4,394	5,320	24,244	22,342
Inventories	(1,379)	(4,454)	(5,030)	(16,961)
Receivables	1,216	6,318	(1,584)	(200)
Payables	2,084	(3,012)	3,566	1,011
Cash generated from operations	6,315	4,172	21,196	6,192
Interest paid	(40)	(71)	(155)	(181)
Income tax paid	(80)	33	(3,927)	(3,037)
Net cash provided by operating activities	6,195	4,134	17,114	2,974
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	14	-	14
Purchase of property, plant and equipment	(3,107)	(83)	(9,259)	(275)
Interest received	1	5	8	49
Cash flow on acquisition of subsidiary, net of cash	-	-	-	(323)
Net cash used in investing activities	(3,106)	(64)	(9,251)	(535)
Cash flows from financing activities				
(Repayment to) / Proceeds from bankers	(3,853)	2,112	(2,115)	4,687
Dividend paid	-	-	(5,040)	(4,480)
Net cash (used in) / from financing activities	(3,853)	2,112	(7,155)	207
Net (decrease) / increase in cash and cash equivalents	(764)	6,182	708	2,646

Cash and cash equivalents at beginning of period/year	12,116	4,462	10,644	7,998
Cash and cash equivalents at end of period/year	11,352	10,644	11,352	10,644

1(d)(i) A Statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	(\$'000)		
	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2008	23,069	28,242	51,311
Profit for the period	–	5,005	5,005
Balance At 31 March 2008	23,069	33,247	56,316
Profit for the period	–	5,680	5,680
Dividends	–	(5,040)	(5,040)
Balance At 30 June 2008	23,069	33,887	56,956
Profit for the period	–	5,090	5,090
Balance At 30 September 2008	23,069	38,977	62,046
Profit for the period	–	3,463	3,463
Balance At 31 December 2008	23,069	42,440	65,509
At 1 January 2007	23,069	15,206	38,275
Profit for the period	–	4,037	4,037
Balance At 31 March 2007	23,069	19,243	42,312
Profit for the period	–	4,294	4,294
Dividends	–	(4,480)	(4,480)
Balance At 30 June 2007	23,069	19,057	42,126
Profit for the period	–	4,965	4,965

Balance At 30 September 2007	23,069	24,022	47,091
Profit for the period	–	4,220	4,220
Balance At 31 December 2007	23,069	28,242	51,311

Company

(\$'000)

	Share Capital	Accumulated Profits	Total Shareholders' Equity
At 1 January 2008	23,069	6,945	30,014
Loss for the period	–	(265)	(265)
Balance At 31 March 2008	23,069	6,680	29,749
Loss for the period	–	(102)	(102)
Dividends	–	(5,040)	(5,040)
Balance At 30 June 2008	23,069	1,538	24,607
Loss for the period	–	(87)	(87)
Balance At 30 September 2008	23,069	1,451	24,520
Profit for the period	–	8,132	8,132
Balance At 31 December 2008	23,069	9,583	32,652
At 1 January 2007	23,069	6,028	29,097
Loss for the period	–	(96)	(96)
Balance At 31 March 2007	23,069	5,932	29,001
Loss for the period	–	(250)	(250)
Dividends	–	(4,480)	(4,480)
Balance At 30 June 2007	23,069	1,202	24,271
Loss for the period	–	(235)	(235)
Balance At 30 September 2007	23,069	967	24,036

Profit for the period	–	5,978	5,978
Balance At 31 December 2007	23,069	6,945	30,014

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 21 February 2008, 140,000,000 new ordinary shares on the basis of one bonus share for every two existing ordinary shares in the issued capital of the Company were allotted and issued to shareholders of the Company as fully paid. The bonus shares rank pari passu with existing ordinary shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.08	31.12.07
Total number of issued shares (excluding treasury shares)	420,000,000	280,000,000

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter)

N.A

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group applied the same accounting policies and methods of computation, set in the audited financial statements as at 31 December 2007 in the preparation of the financial statements for current reporting period.

The new or revised Financial Reporting Standards ('FRS') and Interpretations to FRS that are applicable for the current financial period have no material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There were no changes in accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on net profit attributable to shareholders :-

	Group			
	4th quarter ended 31.12.08	4th quarter ended 31.12.07	Financial Year ended 31.12.08	Financial Year ended 31.12.07
(i) Based on number of ordinary shares in issue	0.82 cent	1.00 cent	4.58 cents	4.17 cents
Number of ordinary shares in issue	420,000,000	*420,000,000	420,000,000	*420,000,000
(ii) On a fully diluted basis	0.82 cent	1.00 cent	4.58 cents	4.17 cents
Diluted number of ordinary shares in issue	420,000,000	*420,000,000	420,000,000	*420,000,000

*The issued number of ordinary shares as at 31.12.07 was 280,000,000. The number of ordinary shares has been adjusted to 420,000,000 ordinary shares in the computation of earnings per share for 140,000,000 bonus shares allotted and issued to existing shareholders on 21 February 2008.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Net asset value per ordinary share based on existing share capital	16 cents	18 cents	8 cents	11cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Revenue
(4Q2008 Vs 4Q2007)**

	Group		% Change
	4Q 2008 \$'000	4Q 2007 \$'000	
Marine Electrical Equipment			
Marine cables and accessories	14,100	12,234	15%
Marine lighting equipment and accessories	3,562	4,391	(19%)
	17,662	16,625	6%
Marine Consumables			
Marine lamps	1,035	948	9%
General marine consumable products	1,354	663	104%
	2,389	1,611	48%
Total sales revenue	20,051	18,236	10%

Marine Electrical Equipment

Marine electrical equipment remains the larger revenue contributor, accounting for 88% of the Group's turnover in 4Q2008, of which marine cables contributed 80% and marine lighting equipment and accessories 20%. The increase in revenue from marine cables and accessories in 4Q2008 is due to increased in overseas customers. The revenue from marine lighting equipment and accessories in 4Q2008 would have been higher if not for the postponement of delivery to 2009.

Marine Consumables

The increase in revenue from both marine lamps and general marine consumable products was due to more orders secured from ship chandlers and shipyards' MRO (Maintenance, Repair and Overhaul) business.

Revenue (cont'd)
(FY 2008 Vs FY 2007)

	Group		
	Financial Year ended 31 December		
	2008 \$'000	2007 \$'000	% Change
Marine Electrical Equipment			
Marine cables and accessories	69,124	56,503	22%
Marine lighting equipment and accessories	16,636	17,314	(4%)
	85,760	73,817	16%
Marine Consumables			
Marine lamps	4,226	4,042	5%
General marine consumable products	4,571	4,011	14%
	8,797	8,053	9%
Total sales revenue	94,557	81,870	15%

Marine Electrical Equipment

Marine electrical equipment contributed 91% of the Group's turnover in FY2008, of which marine cables and accessories contributed 81% and marine lighting equipment and accessories 19%. The Group's strategy to focus on our core business, marine cables and accessories, has paid off as we were awarded more projects and orders in FY2008, aided by the increase in rig- and ship-building and ship conversion activities in Singapore and overseas. Revenue from marine lighting equipment and accessories remain relatively stable.

Marine Consumables

The increase in revenue from both marine lamps and general marine consumable products was due to more orders secured from ship chandlers and shipyards' MRO (Maintenance, Repair and Overhaul) business in 2H2008.

Geographical Segment

Revenue derived from Singapore increased by \$7.4million or 10% from \$70.7million in FY2007 to \$78.1million in FY2008. The increase was mainly due to the increase in rig- and ship-building activities in Singapore.

Revenue derived from overseas increased by \$5.3million or 47% from \$11.2million in FY2007 to \$16.5 million in FY2008 as the Group managed to secure more sales, from new customers, for shipbuilding and ship conversion projects overseas.

Revenue contributed from overseas has increased from 14% in FY2007 to 17% in FY2008. This is in line with the Group's efforts in venturing into overseas markets.

Gross profit

The Group's gross profit decreased by \$235,000 or 3% in 4Q2008 against 4Q2007 despite a higher turnover as overall gross profit margin decreased from 43% in 4Q2007 to 38% in 4Q2008. This was mainly due to the fall in copper prices between the times when certain marine cables were purchased in 1Q2008 and subsequently sold in 4Q2008. For the full year, gross profit increased by \$3.3million or 10% from \$33.3million in FY2007 to \$36.6million in FY2008 due to higher turnover. The gross profit margin decreased marginally from 41% in FY2007 to 39% in FY2008.

Other operating (expense) / income

Included in other operating (expense) / income is foreign exchange loss of \$5,000 in 4Q2008 as compared to a gain of \$251,000 in 4Q2007. This was due to a stronger US Dollar and Japanese Yen in 4Q2008.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The increase in selling and distribution expenses in 4Q2008 as compared to 4Q2007 is in line with the higher revenue contributions. The increase in administrative expenses in 4Q2008 against 4Q2007 is due to increase in head count and higher personnel related costs, depreciation and property-related expenses.

Finance costs

Finance costs decreased by \$31,000 from \$71,000 in 4Q2007 to \$40,000 in 4Q2008. The decrease was due to repayment of bank borrowings in 4Q2008.

Income tax

The lower income tax for 4Q2008 against 4Q2007 is in line with lower profit before tax.

Balance Sheet and Cash Flow Analysis**Property, plant and equipment**

The increase in property, plant and equipment is mainly due to acquisition of a new property.

Inventories

Inventories increased \$5.1million from \$35.2million in FY2007 to \$40.3million in FY2008 to support the increase in turnover. Inventories turnover days improved from 265 days in FY2007 to 254 days in FY2008 due to better inventory management and control.

Trade receivables

In line with higher turnover, trade receivables increased \$1.7million from \$22.1million in FY2007 to \$23.8million in FY2008. Trade receivables turnover days improved from 98 days in FY2007 to 92 days in FY2008 mainly due to tighter control over collection of receivables.

We draw attention to item 8 (Trade Receivables) of our Third-Quarter Announcement for the period ended 30 September 2008 on 16 October 2008 which referred to a certain corporate customer, of a subsidiary of the Company, based in Singapore owing \$1,452,547 to the subsidiary at 30 September 2008. Up to the date of this announcement, \$976,296 had been collected in respect of the amount owing as at 30 September 2008. At 31 December 2008, the

amount due from the corporate customer was \$1,092,292 of which more than 59% was current and not overdue.

In 2007, the corporate customer was sued by its banker for a substantial amount. In 2008, the bank served a statutory demand on the corporate customer for payment within 21 days from the date of demand. The corporate customer had in turn applied to the High Court for an injunction to restrain the bank from filing a winding up petition.

On 10 June 2008, the customer's parent company (which is a large and reputable company listed in Singapore) announced that the High Court had granted an Injunction restraining the banker from filing a winding up application against the corporate customer. On 4 July 2008, the banker filed a Notice of Appeal appealing against the decision of the High Court but on 24 December 2008, the customer's parent company announced that they have reached an agreement with the bank for a full and final settlement of their claims.

Based on the above, the directors are of the view that the amount due from the corporate customer will be collectible in due course and that no further allowance for doubtful receivable is necessary as at 31 December 2008.

Other Receivables

The decrease in other receivables is due to reclassification of a deposit paid in FY2007 for the acquisition of a new property to fixed assets in FY2008.

Trade payables

The increase in trade payables is due to higher purchases to support the growth in revenue.

Other payables

The increase in other payables is due to higher provision of personnel-related costs and retention money held for the additions and alteration costs of a new property.

Banks borrowings

The decrease in bank borrowings is due to repayment of short-term loans during the year.

Cash flow

Net cash and cash equivalents decreased by \$764,000 in 4Q2008 as compared to an increase of \$6.2million in 4Q2007. This is mainly due to acquisition of a new property and repayment of bank borrowings in 4Q2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results for the quarter ended 31 December 2008 are in line with the prospect statement as announced in the quarterly announcement on 16 October 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the light of the global financial and economic turmoil, the shipping industry has experienced slowdown in the orders for new vessels in the region over the recent months. However, as the number of vessels in the maritime industry has significantly increased over the past few years, the demand in ship repair and conversion projects is expected to cushion the drop in new orders.

Amidst concerns over recent news of order cancellations, the contracts on hand will continue to keep shipyards busy in the next 2-3 years, which translates into sustainable demand for the Group's quality marine cables, lighting equipment and accessories.

Notwithstanding that the outlook of the maritime industry appears to be uncertain, BH Global's strong net cash position of S\$8.1 million is well positioned to take advantage of opportunities for synergistic acquisitions regionally in markets, such as Singapore, Middle East and PRC.

The Group faces challenges from the slowdown in the industry, volatile material prices and foreign exchange fluctuations. Accordingly, the Group will exercise caution and adopt a prudent approach to its operations and activities for the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The directors recommend a first and final dividend for the year ended 31 December 2008 as stated below:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	1.2 cents per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	1.2 cent per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

(c) Date payable 7 May 2009

(d) Books closure date

Notice is hereby given that the Registrar of Members of the Company will be closed on 24 April 2009, for the purpose of determining dividend entitlements and the preparation of dividend warrants in respect of the first and final dividend to be paid on 7 May 2009. Duly completed transfers received by the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) of 8 Cross Street, #11-00, Singapore 048424 up to 5.00pm on 23 April 2009 will be registered before the entitlements to the dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 23 April 2009 will be entitled to the dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

By Business Segments

	Group	
	2008	2007
	S\$'000	S\$'000
<u>Revenue by business segment</u>		
Marine Electrical Equipment		
Marine cables and accessories	69,124	56,503
Marine lighting equipment and accessories	16,636	17,314
	<hr/>	<hr/>
	85,760	73,817
	<hr/>	<hr/>
Marine Consumables		
Marine lamps	4,226	4,042
General marine consumable products	4,571	4,011
	<hr/>	<hr/>
	8,797	8,053
	<hr/>	<hr/>
Total revenue	94,557	81,870
	<hr/>	<hr/>
<u>Segment results</u>		
Marine Electrical Equipment		
Marine cables and accessories	16,356	13,136
Marine lighting equipment and accessories	4,476	5,568
	<hr/>	<hr/>
	20,832	18,704
	<hr/>	<hr/>
Marine Consumables		
Marine lamps	1,684	1,764
General marine consumable products	985	820
	<hr/>	<hr/>
	2,669	2,584
	<hr/>	<hr/>
Total segment results	23,501	21,288
Unallocated interest income	8	49
	<hr/>	<hr/>
Net profit before tax	23,509	21,337

Tax expense	(4,271)	(3,821)
Net profit for the financial year	19,238	17,516

Group Assets and Liabilities

Segment assets

Marine Electrical Equipment		
Marine cables and accessories	64,813	55,123
Marine lighting equipment and accessories	14,434	13,903
Marine Consumables		
Marine lamps	3,766	3,458
General marine consumable products	7,993	2,455
Unallocated corporate assets	340	414
Total assets	91,346	75,353

Segment liabilities

Marine Electrical Equipment		
Marine cables and accessories	15,732	13,851
Marine lighting equipment and accessories	3,786	4,244
Marine Consumables		
Marine lamps	962	991
General marine consumable products	1,040	983
Unallocated corporate liabilities	4,317	3,973
Total liabilities	25,837	24,042

Other segment information

	Group	
	2008	2007
	S\$'000	S\$'000
<u>Depreciation</u>		
Marine Electrical Equipment		
Marine cables and accessories	430	344
Marine lighting equipment and accessories	104	105
Marine Consumables		
Marine lamps	26	25
General marine consumable products	28	24
	588	498
<u>Capital expenditure</u>		
Marine Electrical Equipment		
Marine cables and accessories	6,768	190
Marine lighting equipment and accessories	1,629	58
Marine Consumables		
Marine lamps	414	14
General marine consumable products	448	13

9,259	275
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By Geographical

Singapore	78,058	70,671
South-East Asia	7,314	3,839
East Asia	5,049	3,768
Middle East	2,772	2,194
Other countries	1,364	1,398
	94,557	81,870

The turnover by geographical segments is based on the billing location of customers.

All the assets and capital expenditure of the Group are located in Singapore.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue from marine cables and accessories increased by \$12.6million or 22% from \$56.5million in FY2007 to \$69.1million in FY2008. Contribution to total revenue increased from 69.0% in FY2007 to 73.1% in FY2008. This has resulted in an increase in contribution to the Group's total segment results from 61.7% in FY2007 to 69.6% in FY2008. The increase in revenue was due to an increase in demand in the marine sector and the Group's effort to secure more sales to rig- and ship-builders, both local and overseas.

15. A breakdown of sales

	Group (S\$'000)		% Change
	31.12.08	31.12.07	
Sales reported for first half year	51,804	39,424	31%
Operating profit after tax reported for the first half year	10,685	8,331	28%
Sales reported for second half year	42,753	42,446	1%
Operating profit after tax reported for the second half year	8,553	9,185	(7%)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	(S\$'000)	
	FY 2008	FY 2007
Ordinary shares	5,040	4,480

17. Interested Person Transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

On behalf of the Board of Directors

Vincent Lim Hui Eng
Chief Executive Officer
16 January 2009